



**PENSION RESERVES
INVESTMENT
MANAGEMENT BOARD**

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For Immediate Release

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**Massachusetts PRIM Reduces Budget by \$12 million
3.3 percent reduction in fiscal 2016**

BOSTON – April 7, 2015 - The Massachusetts Pension Reserves Investment Management (PRIM) Board announced today that it projects a 3.3 percent reduction in its fiscal year 2016 budget – a decrease of \$12 million from fiscal 2015.

The cost savings are a result of several efficiency and investment improvements, including the industry-leading Project SAVE (Strategic Analysis for Value Enhancement) initiative, which since inception has produced total annualized savings and return enhancements of over \$100 million. The budget projections were detailed in a report by PRIM Executive Director and Chief Investment Officer Michael Trotsky, CFA, to the PRIM Board.

“PRIM continues to lead the nation with innovative management practices, and Project SAVE is a major win for Massachusetts taxpayers and retirees,” said State Treasurer Deborah Goldberg, who chairs the PRIM Board. “We look forward to building on this success to maximize the PRIT fund’s value and realize additional savings in the years ahead.”

The Pension Reserves Investment Trust (PRIT) fund—the principal investment vehicle managed by PRIM—has grown to its highest level in history - \$62 billion. Performance on both an absolute and relative basis has also been strong. PRIM returned over \$5.5 billion to the Commonwealth over the past 12 months alone - \$1 billion over its benchmark index. Over the last five fiscal years, PRIM’s performance produced a total investment gain of \$29.6 billion - \$5.1 billion over benchmark. Over that same period the Commonwealth paid out over \$5.7 billion in benefits to retirees through redemptions from the PRIT fund.

"Maximizing return and offsetting the pension liability borne by taxpayers is our job," said Trotsky. "Our staff is made up of some of the best talent in the industry, and our Board of Trustees and its subcommittees have provided critical guidance and leadership."

PRIM has been recognized around the globe for the innovation, success and cost effectiveness of its investment program. In 2014, PRIM was awarded the *Institutional Investor* "Public Pension Plan of the Year" award on the strength of its performance and for Project SAVE. In making the award, *Institutional Investor* described the Project SAVE program as "the most aggressive and systematic search for cost efficiencies by a U.S. public pension plan that we have ever seen."

PRIM has also earned accolades from the Private Equity Growth Capital Council and *Buyouts Magazine* for its performance in private equity. Additionally, Trotsky was named to the CFA Institute's Board of Governors and in 2014 was one of six nominees by *Institutional Investor* for "Chief Investment Officer of the Year."

"We've transformed an idea we had into very significant cost savings and value enhancements which are passed on to retirees and taxpayers," said Timothy Vaill, a member of PRIM's Investment Committee and the key architect of Project SAVE. "Having been in the investment management industry for 40+ years, I would put the quality of PRIM's results and talented staff up against any investment management firm—anywhere, anytime."

ABOUT PRIM: PRIM was created by the Massachusetts legislature in 1983 in order to assist the Commonwealth in reducing its unfunded pension liability, and likewise to assist local participating retirement systems in meeting their pension obligations. Its mission is to maximize the return on investment within acceptable levels of risk by broadly diversifying its \$62 billion investment portfolio, capitalizing on economies of scale to achieve cost-effective operations, and providing access to high quality, innovative investments, all under the management of a professional staff and members of the Board and its committees.